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SUBJECT: ICI: BAGHDAD DONOR MEETING

REF: A. IRFFI EXCOMM MINUTES NAPLES 01/24/2008  
[1](#)B. BAGHDAD CLASS OI 03/03/2008

[1](#)1. (SBU) SUMMARY: UNAMI convened an informal donor meeting March 4 to: a) update Baghdad-resident donor reps on GOI preparation for the ICI first anniversary, b) brief on the January 23 IRFFI meeting in Naples, and c) brief a visiting EC delegation on a and b. UNAMI Deputy Guy Siri and World Bank Country Manager Simon Stolp chaired the meeting. Delegations from the EC mission, UK's DFID, the Italian, Japanese, Australian, German and U.S. embassies attended. Stolp noted that the GOI has not convened all of the necessary ICI Thematic Working Groups to prepare the annual report, as instructed by DPM Barham Salih in a January 15 memo. Siri proposed that donors consider loosening the timeline for the annual report and delaying the first anniversary event from April to May or June. Siri noted that the UN was considering alternative sites for the anniversary event -- including Stockholm and perhaps Madrid. He said that DPM Salih would be discussing this with SRSB Gambari.

2,. (SBU) SUMMARY CONTINUED. The EC representatives expressed their strong skepticism at the level of GOI buy-in to the ICI. The UN's Siri urged that while acknowledging shortcomings, donors should realize the ICI in its first year has advanced considerably. Siri and donors agreed that we want to encourage the GOI to support the ICI, but that we need to avoid taking over the process or "overwhelming" the GOI with assistance to stand up the ICI Secretariat. Siri presented a summary paper from the Naples IRFFI meeting which detailed seven proposed donor actions to support the ICI. He also provided a set of proposed "advocacy points" on the ICI (para 11) which he invited donors to deploy in their discussions with GOI. One point left out of the advocacy paper but which he asked donors to consider was the need for the GOI to fund the ICI Secretariat with a line item in the national budget. END SUMMARY.

[1](#)3. (SBU) UNAMI and the World Bank convened donors March 3 for an informal meeting to go over status of GOI and donor preparations for the first anniversary of the International Compact with Iraq (ICI) and brief a visiting EC delegation. UNAMI Deputy Guy Siri and World Bank Country Representative Simon Stolp presided; Embassy representatives from Italy, Germany, Australia, Japan and the U.S. together with representatives from DFID and the local EC office represented Baghdad-resident donors.

[1](#)4. (SBU) Siri opened by commenting on the timing and venue of a ministerial event to mark the first year of the ICI. Noting that the GOI prefers that the event take place on April 22 in Kuwait in association with the expanded ((Neighbors)) meeting, Siri said that UN staff is still in consultations with European countries and is considering Stockholm or possibly Madrid. He said that DPM Barham Salih will discuss venue with SRSB Gambari soon. Siri noted that

it will be difficult for the UN and GOI to conclude preparations for a meeting by mid-April -- as the GOI's drafting of the annual report on progress against ICI benchmarks is not as advanced as was hoped. He proposed that donors "reconsider the timeframe and content of the report." (Note: The GOI's first progress report, issued in July, 2007 was a comprehensive look at GOI performance against ICI benchmarks, but was almost wholly produced by local World Bank staff).

15. (SBU) Siri said that some progress has been made -- the ICI Secretariat has grown to seven staff who split their time between ICI work and other GOI jobs, and the EC has deployed the first of its 4-5 planned technical advisors, but would wait to deploy the rest until the GOI has fully staffed the ICI Secretariat including the Policy Planning Unit. While the DPM had asked for UNAMI support the Iraqi government Thematic Working Groups (TWGs), UNAMI will not staff them, as it does not want international staff to be doing what Iraqi staff should be doing. Italian Embassy rep Nicola Bazzani reminded donors that Italy on a bilateral basis had provided since June of 2007 a technical advisor to the ICI Secretariat.

16. (SBU) Stolp briefed on the functioning of the GOI's TWGs. DPM Salih had sent detailed instructions to line ministries in a January 15 memo, complete with draft forms to be filled out to prepare for drafting the ICI annual report. Stolp said some TWGs had met and, while other TWGs had not met formally, there had nevertheless been inter-ministerial meetings to discuss ICI benchmarks. When asked whether those meetings had resulted in any progress toward drafting the GOI's annual report, he said no -- but he and his staff would help complete those portions. (Note: missing are the draft assessments of progress against economic reform and resource

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management benchmarks, both TWGs chaired by Ministry of Finance. Per ref b, we previously asked to urge the MinFin to convene these TWGs. End note.)

17. (SBU) The head of the visiting EC delegation, RELEX Director Tomas Dupla de Morel, expressed his strong skepticism that the GOI had demonstrated its "buy in" to the ICI and wondered if we were focusing too narrowly on the annual report instead of pressing the GOI on the broader issue of supporting the ICI process. The Australian Embassy rep questioned whether placing the ICI Secretariat in DPM Salih's office was hobbling its ability to build capacity -- especially as it still hasn't gotten a separate budget.

18. (SBU) Stolp agreed that donors should press DPM Salih and others in the GOI to step up their support for the ICI. The EC rep opined that the GOI's support for the ICI appears to be "just a show" for the international community, and there is no understanding or support for it among GOI bureaucrats. Stolp and Siri insisted there is high level support for the ICI in the GOI, but agreed that this "ownership" needs to be shifted to lower levels. In that regard, Siri produced a paper of "advocacy points" on the ICI for donors to use in their contacts with the GOI (Note: see text at para 5). Siri said he supported pressing the GOI for a budget line item for the ICI Secretariat, but that he had left it off the paper, commenting that Salih had told him that he preferred not to get into a budget fight just now.

19. (SBU) There ensued some discussion of whether the DPM's office was the best place for the Secretariat to reside, and whether the PM's Office or COMSEC might not offer a more securely supported roost. The COMSEC option looked favorable as it already contained a policy planning unit that the UK's DFID was supporting with technical assistance. The EC-funded technical advisor to the ICI Secretariat is drafting an "institutional map" in order to propose a formal linkage between the Secretariat and the PM's Office. Discussants agreed however that donors are limited to advocating for the ICI with the GOI, but the GOI itself must make such

operational decisions.

¶10. (U) Turning to a readout of the January 23 Naples IRFFI meeting, Siri reviewed the seven proposed donor actions (ref A), most of which focus on supporting the capacity of the ICI Secretariat (e.g DVC equipment, translation booths, funding).

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Siri was not supportive of UN funding for the Secretariat but he believed that the other elements of the paper were good. Stolp intends to set up a working group to coordinate and expand existing DVC capacity. Siri and Stolp both committed to conducting monthly informal donor meetings in Baghdad.

¶11. (U) UNAMI's proposed advocacy points:

Begin Text.

#### ADVOCACY POINTS ON THE INTERNATIONAL COMPACT WITH IRAQ

The directions outlined in the ICI have been decided by the Iraq Government and belong to Iraq.

While the ICI is supported by the international community, the benefits are first and foremost for the Iraqi people.

Likewise, renegotiation of external debt benefits Iraq's economy and people. Although debt forgiveness is not necessarily conditioned upon the Government's political, security and economic achievements, there is an implied conditionality.

The Government of Iraq must therefore show progress against the achievement of the ICI benchmarks that the international community has pledged to support. The international community encourages the Government to make further efforts to ensure that its activities and achievements are consistently and clearly communicated.

The international community appreciates that the establishment of a strong Compact Secretariat, and strong implementation and donor coordination mechanisms, will take some time. However, development partners emphasize that the Government assign similar priority to the implementation of the ICI, and therefore the structures that support this, as it assigns to the achievement of debt relief. The achievement of Compact benchmarks is of commensurate importance.

The Compact Secretariat should seek to establish broader

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cross-government linkages. In order to support the Government in achieving ICI benchmarks, the Compact's Secretariat will need to liaise widely among Ministries and

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draw upon the analytical and political resources vested in other bodies of Government. These include, but are not limited to, the Council of Ministers Secretariat (COMSEC), and the Prime Minister's Office.

Development partners encourage the Government of Iraq to strengthen inter-ministerial coordination and cooperation in its implementation of the Compact.

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